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TRANSLATION

SWISS JUSTICE AND POLICE DEPARTMENT

N 11699 It

Reimbursement

Berne, 14 August 1946

THE SWISS FEDERAL DEPARTMENT OF JUSTICE AND

POLICE

acted on the appeal made by Messrs. Paul Lachonai, Lawyer at Geneva and Dr. Hug, Professor at the Swiss Federal Polytechnical Institute, on behalf of Michel O L I A N, born July 27, 1897, stateless, businessman, and his wife Elisabeth, born Freudenstein, born September 18, 1899. Against a decree of the State Council of the Canton Geneva of October 12, 1945 confirming a Swiss Expulsion decision, on the basis of the following (findings of) facts:

I.

Olian was born at Riga as a Russian subject. He studied at Riga and St. Petersburg. From 1914 to 1919 he was in the Russian Military Service. In 1920 he left Russia to go to Germany first, then, in 1923, to Paris. In France he was active in financial affairs. He was expelled from France in 1926 because of "speculation against the French currency and against French credit." However, this order was not carried out and was revoked in 1934. In 1928, Olian was condemned by the French Courts to one month in prison with reprieve and 500 French francs fine for "violation of the monopoly of the telephone transmissions." He actually had installed a radio transmitter to send quotations of the stock exchange.

II.

Olian entered Switzerland in 1939, provided with a consular visa permitting a short stay in Geneva. He tried at first to obtain a permit to stay, emphasizing that he could go back to France at any time and that he had the intention to return to France soon. It is true that later he declared in a statement which he submitted to the Swiss Federal Police for Aliens in 1943, that he had come to the decision, since the outbreak of the war, to stay in Switzerland and for that reason he had caused his wife and daughter to come to Switzerland also. Thus Olian has concealed his true intentions at the beginning of his stay in Switzerland to the Swiss Federal Police for Aliens.

On January 23, 1940, the Swiss Federal Police for Aliens refused to consent to a permit to stay, proposed by the authorities of the Canton and instead ordered him expelled giving him a period of grace for departure until February 9, 1940. This period was later extended, the last time from August 1, 1940 to August 30, 1940.

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On September 17, 1940, the Federal Police for Aliens reversed this order and offered to give Olian a permit to stay for a short time. However, Olian did not have the permission to undertake any profitable business activity whatever.

The appellant was permitted to stay until March 3, 1943, upon permits of stay of short durations, carrying the following notation: "Temporary Stay". Express prohibition against any profitable activity whatever in Switzerland."

On March 3, 1943, Olian became subject to the special laws concerning emigrants according to the special order of the Swiss Federal Council of October 17, 1939, modifying the regulations of the Swiss Federal Police for Aliens. At that occasion he was especially forbidden "to engage any profitable activities whatever or to accept any paid employment in Switzerland without the special authorization of the Swiss Federal Police for Aliens." Thus, he obtained his permit to stay under these reservations.

III.

On September 13, 1944, Olian as well as his wife were expelled from Switzerland by a decision of the Swiss Department of Justice and Police for an unlimited time for violating the prohibition to engage in any profitable activity. Olian appealed this decision to the Council of the Canton of Geneva. The State Council rejected the appeal by order of October 12, 1945, and confirmed the expelling order handed down by the lower agency.

IV.

In his appeal against the decision of the State Council, Olian presented the following arguments: The Canton of Geneva be not entitled to pronounce the expulsion, since the last authorization in this matter had been handed down by the Police Department for Aliens of the Canton of Basel-City. Moreover, the method used for this investigation have been faulty. Thus, Olian should not have been questioned by the commission established by the laws of the Canton for such cases. The contracts concluded with the Swiss firms had been legal. Besides, said transactions had been in the interest of Swiss firms and consequently entirely in the interest of the Swiss economy. Moreover, they had not violated in any respect the principles of Swiss neutrality. Furthermore, the Federal Police for Aliens had been put on notice of this activity by Olian himself in March 1943. In spite of that a permit to stay was accorded to him on April 2, 1943, valid until the end of September 1943; it is true that this permit admonished the applicant to prepare his departure by that date. From then on Olian did not engage in any lucrative activity any more, and he did not do so inspite of the fact that various Swiss business houses approached him. Moreover, Olian had not engaged in business relations with the purpose of making profit, but in order to facilitate taking up of his business affairs after the war and in order to prove his esteem in regard to Switzerland. The commissions which he was given had been relatively modest and had left him with but a minimum gain. In fact, it should be considered

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In fact, it should be considered that he had to defray the expenses of the intermediaries as well as the costs caused by the transactions which were not successful. The petitioner denies having had any relations with the German authorities with the aid of which certain transactions had been successful. And even if the investigation of each case should lead to the conclusion that Olian made a profit in his transactions and that this should be considered as an illegal profitable activity, it should still be particularly emphasized that it is not in Switzerland's interest to expell him. Olian declared himself willing to give all necessary explanations and this to the authorities of the Canton of Geneva as well as to the Swiss Government and he helped to facilitate the investigation in every way. Therefore, the expulsion was not justified and the decision consequently should be reversed. Hence, as far as the wife of the petitioner is concerned, no charge exists against her. She is stateless and should be in any case permitted to stay in Switzerland. Moreover the daughter of the petitioner is married in Switzerland.

V.

The following is an excerpt from the official file of the Department:

1. On December 23, 1943, Olian received from the authorized department of the Canton Basle-City the permit to stay temporarily in Basle. This authorisation was specially designated as temporary by the Swiss Federal Police for Aliens since Olian was not in possession of the approbation provided by Article 18, paragraph 3 of the Federal Law of the 26th March 1931 on the stay and establishment of residence by aliens, and article 18, paragraph 2, of the regulation under said Law of May 5, 1933. This approbation has not been accorded up to this day. The last regular authorization under the Swiss Federal Law on stay and establishment of residence of aliens is therefore the one granted by the Canton of Geneva.
2. In Spring 1944, the Chief of the Swiss Federal Department of Justice and Police ordered an investigation of the activities of Olian. The Federal authorities then contacted the authorities of the Canton to clear up the situation. In August 1944, Olian was questioned by the police department and made his statements orally. On September 13, 1944, the expulsion was pronounced by the Canton, Geneva and on October 12, 1945, the State Council of this Canton, after an additional investigation, rejected the appeal and confirmed the first decision. After a long and detailed investigation the Swiss Office of Compensation furnished a report which came to the attention of the Swiss Federal Department of Justice and Police in May 1946.
3. The investigation proved to be difficult. The appellant wanted to contest among other things the competence of certain agencies in charge of the proceedings. The bank accounts of Olian were no longer in his name since 1942, but under adopted names such as "SEDAP" or "ERNST". It was at that time that Olian was put on the black list. Olian also made false declarations. He declared, for example, during the course of the questioning that he came to Switzerland with two

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millions while at another time he said it was only one million francs. At another occasion he pretended not to have made any profit at all of a certain transaction. It was only after proof to the contrary was presented that he decided to admit that the profit was 150,000 francs. He also stated that he had not seen a certain French agent since 1941. However, it could be ascertained that he had financial affairs with said person in 1942 at Zurich. Moreover, these relationships served not only the purpose of administration of Olian's fortune or the liquidation of old business affairs, but permitted him to start new transactions. After various reports and statements by Olian himself, the correspondent in question did not enjoy a good reputation.

4. Olian visited frequently the bars and dancing places. There he made the acquaintance of a former secretary to the General Headquarters S.A. at Munich, who was married at Basle. Olian himself procured a telephone conversation for her to another secretary at the above mentioned Headquarters. He even paid for this telephone call himself which is alleged to have been only a conversation between friends, nothing else. Moreover, he met in Switzerland the former lawyer of Marshall Goring and he had some business transactions with him, allegedly by request of a Swiss firm.

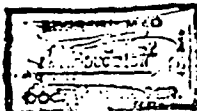
5. In the years of 1940 to 1942, Olian tried to free assets for various Swiss firms which were frozen in other countries and brought them into Switzerland. Furthermore, he was successful to obtain permits for imports from France for several Swiss Commercial Firms as well as transit permits through France to Spain. The sums which were paid to him from these transactions in the form of commissions were partly very important. Thus, he received from a single firm for services rendered in 1940, 147,455.-- francs, for 1941, 100,000.-- francs, and for 1942, 76,543.-- francs, while from another transaction he received a commission of 99,943.90 francs. He pretends that of this amount there were only 14,000.-- francs left to him and that the rest had to be paid for commissions and sub-commissions.

In addition to the activities displayed in favor of the Swiss firms, the following is taken from the file:

In 1941, Olian bought 63 tons of frozen meat of Hungarian origin from a Swiss firm at a price of 109,476.60 francs, presumably not sellable in Switzerland and shipped then to France. He effected this operation for his own account.

According to a report considered probable by the Swiss Compensation Office, Olian had made an agreement with a Frenchman and a Swiss to procure several millions pesetas for German agents in Spain. It was agreed that Olian would receive 40% of the profit. At the moment of the conclusion of the contract, it was not yet known for which purpose the Germans needed Pesetas, and it was only later that it was revealed that these amounts were destined for the purchase of airports. The transaction was not concluded and the other party had to pay a penalty of 125,000 francs, 50,000 of which came to Olian.

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All German intelligence activities in Switzerland are carried out under the control of AST (Abwehrstelle), Stuttgart. Since Switzerland is a neutral country, the Germans have maintained an extensive intelligence system in that country, which before the German-French armistice was principally directed against France.

In the period immediately preceding the outbreak of the war, most of these intelligence activities were directed by the German-financed "Bund freier Eidgenossen", a Swiss organization founded by Dr. Linder. This society has an espionage section under the leadership of Johann Frei, which collected information on frontier defenses, aviation training, and Communist activities.

At present, the German intelligence organization in Switzerland is a Kriego-organisation (K.O.) whose headquarters are at the German Embassy in Bern, with sub-stations at Zurich, Geneva, Basel, Lugano, Lausanne and Bonstans. The Kriego-organisation is the normal form under which the Abwehr works in a neutral country. The directors function under diplomatic or consular cover.

Korvettenkapitän Hans Jäger, as Consul General in Bern, directs the counter-espionage section (equivalent of Abwehr III in an occupied country). Hauptmann von und zur Muehlen is believed to be in charge of espionage (Abwehr I). He is attached to the German Legation at Bern. From available information, it appears that there is no sabotage section (Abwehr III) in Switzerland. The selection of Jäger, one of the most efficient Abwehr officers, who had been in charge of counter-espionage for the whole of France prior to the Armistice with that country, shows how important Switzerland became to the Germans thereafter, in view of the fact that it became more than ever the center of allied activity.

Zurich, being the center of Swiss heavy industry, is particularly concerned with economic espionage. The two principal centers there are the offices of the "Allgemeine Elektrizitäts-Gesellschaft" (A.E.G.) and the "Zürich Handelskammer", which was directed, according to a report of October, 1941, by one Napolski.

The Military Attache at Bern is responsible for obtaining information on Swiss defenses.

The sub-station at Basel concerns itself mostly with the control of travelers across the German-Swiss frontier, and the passage of agents.

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INTRODUCTION

(cont'd)

The Italians are said to have an efficient espionage system in Switzerland, although not nearly so extensive as that of the Germans. It is controlled from Milan, and the center in Switzerland seems to be the Italian Consulate at Basel. Principal sub-stations are at Geneva, Lausanne and Lugano, and usually an Italian Vice Consul in each city is at the disposal of the Italian Director of Military Intelligence. The Italian Public Security Service, which ordinarily uses the local Fascist as cover for its agents, in some cases also controls the appointments of Vice Consuls.

Appended to this Handbook is a list of foreign diplomats in Switzerland, including German and Italian representatives, as of the fall of 1943. Some of the names therein may vary from the ones given as being connected with the diplomatic missions in the main part of the Handbook, but as these divergencies are explained and up to date assignments definitely confirmed, the names of the new incumbents will be incorporated into the first supplement to this Handbook.

In conclusion, it may be said that Switzerland will become increasingly important to the Germans as the only neutral country in Central Europe from which intelligence work can be directed.

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GERMAN INTELLIGENCE SERVICE - AGENTS

Agent

Geneva Switzerland and resided in Swiss Lombard

AGENTS (cont'd)

#HOLIAN, Michel *CIT. USSR*

Estonian. *Hotel des Gorgues* (or Borgues). Engaged in currency smuggling, 1942

#POETSCH, *from Switzerland*

Swiss. *66 Rue de la Tour d'Auteuil* Agent working under Groehner.

#PROSCH, Karl von

66 Rue de Chene

#RADISICS, Elemor de *CIT. Hungary*

Hungarian. *3 Promenade du Fin* Reported to be agent of Kruegel. Obtained photographs

#RANEMUS, Theodor

CIT. Germany (formerly Swiss). *10 Rue Croise d'Or* 1942, agent in touch with German Consulate. Owns haberdashery shop *Bas Renard*

#ROCHAT, Dolly *SEAF*

Wife of Paul Rochat. Had flat at *Rue du Rhone*. Stated to have been with Virginia Cart when latter was arrested

#SATTIGNY, *from Switzerland*

Swiss. 1941. German agent under Dr. Wolff

#SCHAFFNER, J. los

CIT. Germany *Villa Charbonnet, Coligny*. Fought first on Republican side in Spanish war, later on Franco's side. Used to work for French official organizations in Paris and Vaucresson

#SCHRETA, Gertrude *SEAF*

Austrian. *La Vague*, Poinex near Coppot. Recently arrived Geneva. Mistress of Spengler, Mulhouse industrialist

#SCHMITZ, Joseph

CIT. Germany Wife runs pension at *5 Rue du Commerce*. Manufacturer of machine tools. 1939. German propaganda and intelligence agent in touch with Golke and Finckstein